



Utkarsh Small Finance Bank

USFBL/2022-23/25

To,  
**BSE Limited**  
P.J. Towers, Dalal Street  
Fort, Mumbai-400001

August 12, 2022

Dear Sir/Madam,

**Sub: Outcome of the meeting of Board of Directors of Utkarsh Small Finance Bank Limited("Bank")**  
**Ref: Scrip Code: 949694**

Pursuant to Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please be informed that the Board of Directors of the Bank at their meeting held today, inter alia, considered and approved the unaudited financial results and limited review report for the quarter ended June 30, 2022.

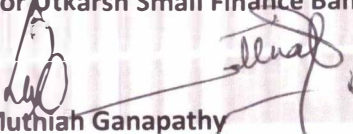
The meeting of Board of Directors concluded at 5:50 p.m

Further, unaudited financial results and limited review report shall be displayed on the website of the Bank at <https://www.utkarsh.bank/audited-financial>

Kindly take the same on records.

Thanking You!  
Yours Faithfully,

For Utkarsh Small Finance Bank Limited

  
Muthiah Ganapathy  
Company Secretary & Compliance Officer



Enc : Financial Results & Limited Review Report

**Registered & Corporate Office:**

Utkarsh Tower, NH - 31 (Airport Road) Sehmalpur, Kazi Sarai, Harhua Varanasi - Uttar Pradesh 221105  
CIN: U65992UP2016PLC082804 | Tel.: 0542-6605555 | Website: [www.utkarsh.bank](http://www.utkarsh.bank)

**Deloitte Haskins & Sells**

19<sup>th</sup> Floor, Shapath-V  
S.G. Highway  
Ahmedabad – 380 015  
Gujarat, India  
Tel: +91 79 6682 7300  
Fax: +91 79 6682 7400

**Kirtane & Pandit LLP**

Chartered Accountants  
H-16, Saraswat Colony,  
Sitladevi Temple Road,  
Mahim West,  
Mumbai 400 016, India  
Tel: +91 022 2444 4119  
Fax: +91 022 2444 1147

**INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS****TO THE BOARD OF DIRECTORS OF  
UTKARSH SMALL FINANCE BANK LIMITED**

1. We have reviewed the accompanying Statement of unaudited financial results of **UTKARSH SMALL FINANCE BANK LIMITED** (the "Bank") for the quarter ended June 30, 2022 (the "Statement"), being submitted by the Bank pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Bank's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 for "Interim Financial Reporting" ("AS 25"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, in so far as they apply to banks, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review consists of making inquiries primarily from persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the aforesaid Accounting Standard, RBI Guidelines and other accounting principles generally accepted in India, in so far as they apply to banks has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



5. The comparative financial information of the Bank for the previous reporting periods included in the Statement have been reviewed/ audited by the predecessor auditor. The reports of the predecessor auditor on these comparative financial information expressed an un-modified conclusion/opinion.

Our conclusion on the Statement is not modified in respect of this matter.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm Registration No. 117365W)

**G. K. Subramaniam**

Partner

Membership No. 109839

UDIN: 22109839AOVXFF3511

Place: Mumbai

Date: August 12, 2022



For **Kirtane & Pandit LLP**  
Chartered Accountants  
(Firm Registration No. 105215W/W100057)

**Sandeep Welling**

Partner

Membership No. 044576

UDIN: 22044576AOVWBO6076

Place: Mumbai

Date: August 12, 2022



**Utkarsh Small Finance Bank Limited**  
Registered office address: Utkarsh Tower, NH-31 (Airport Road), Sehmalpur, Kazi Sarai, Harhua, Varanasi, Uttar Pradesh, PIN -221105  
Unaudited Financial Results for the quarter ended 30 June 2022

(₹ in lakhs)

	For the quarter ended 30 June 2022	For the quarter ended 31 March 2022	For the quarter ended 30 June 2021	For the year ended 31 March 2022
	Unaudited	Audited [Refer Note 8]	Audited	Audited
<b>1 Interest Earned (a+b+c+d)</b>	<b>57,083.41</b>	<b>53,602.62</b>	<b>44,461.33</b>	<b>1,84,881.25</b>
(a) Interest/ discount on advances/ bill	52,198.41	49,274.16	39,020.32	1,64,612.62
(b) Income on investments	3,415.48	3,318.89	4,036.50	15,492.52
(c) Interest on balances with Reserve Bank of India and other interbank	1,468.63	1,008.66	1,403.64	4,772.48
(d) Others	0.89	0.91	0.87	3.63
<b>2 Other Income</b>	<b>8,449.70</b>	<b>5,022.18</b>	<b>2,461.52</b>	<b>18,483.35</b>
<b>3 Total Income (1+2)</b>	<b>65,533.11</b>	<b>58,624.80</b>	<b>46,922.85</b>	<b>2,03,364.60</b>
<b>4 Interest Expended</b>	<b>22,161.01</b>	<b>20,138.47</b>	<b>19,886.39</b>	<b>78,796.25</b>
<b>5 Operating Expenses (i)+(ii)</b>	<b>22,038.52</b>	<b>22,008.08</b>	<b>15,835.43</b>	<b>73,634.46</b>
(i) Employees cost	12,686.45	12,727.95	9,238.67	42,982.55
(ii) Other operating expenses	9,352.07	9,280.13	6,596.76	30,651.91
<b>6 Total Expenditure (4+5) excluding provisions and contingencies</b>	<b>44,199.53</b>	<b>42,146.55</b>	<b>35,721.82</b>	<b>1,52,430.71</b>
<b>7 Operating Profit before Provisions and Contingencies (3-6)</b>	<b>21,333.58</b>	<b>16,478.25</b>	<b>11,201.03</b>	<b>50,933.89</b>
<b>8 Provisions (other than tax) and Contingencies</b>	<b>9,133.94</b>	<b>10,905.88</b>	<b>8,927.06</b>	<b>42,962.61</b>
<b>9 Exceptional item</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>10 Profit for the period / year before tax (7-8-9)</b>	<b>12,199.64</b>	<b>5,572.37</b>	<b>2,273.97</b>	<b>7,971.28</b>
<b>11 Tax expense</b>	<b>3,250.53</b>	<b>729.63</b>	<b>627.08</b>	<b>1,825.12</b>
<b>12 Net Profit for the period / year after tax (10-11)</b>	<b>8,949.11</b>	<b>4,842.74</b>	<b>1,646.89</b>	<b>6,146.16</b>
<b>13 Paid-up equity share capital (of ₹ 10 each)</b>	<b>89,552.15</b>	<b>89,552.15</b>	<b>84,833.39</b>	<b>89,552.15</b>
<b>14 Reserves excluding Revaluation Reserves</b>				<b>67,677.53</b>
<b>15 Analytical Ratios</b>				
(i) Capital Adequacy Ratio [Refer Note 3]	21.78%*	21.59%*	26.80%	21.59%*
(ii) EPS Basic (₹) (not annualised for quarter)	1.00	0.55	0.19	0.70
(iii) EPS Diluted (₹) (not annualised for quarter)	1.00	0.55	0.19	0.70
(iv) NPA Ratios:				
Gross NPA	62,798.11	64,815.69	44,359.44	64,815.69
Net NPA	17,431.31	23,579.55	12,455.03	23,579.55
% of Gross NPA to Gross advances	5.73%	6.10%	5.58%	6.10%
% of Net NPA to Net advances	1.66%	2.31%	1.63%	2.31%
(v) Return on Assets (not annualised for quarter)	0.60%	0.35%	0.13%	0.48%
(vi) Net Worth**	1,52,479.52	1,42,076.05	1,27,281.81	1,42,076.05
(vii) Total Debt to Total Assets ratio	15.71%	17.07%	18.68%	17.07%
(viii) Asset Cover Ratio	171.68%	161.19%	159.09%	161.19%
(ix) Debt Equity Ratio ***	1.43	1.64	1.64	1.64

\* Tier I includes ESOP reserve

\*\* as per RBI guidelines

\*\*\* Debt represents total borrowings of the Bank & Equity consists of Share Capital plus Reserves





As per regulation 52(4) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, the debt listed entities are required to disclose certain ratios. However the ratios which are not relevant to Banking sector are not disclosed above.

1. The financial results for the period ended 30 June 2022 have been reviewed by the Audit Committee at its meeting held on 12 August 2022 and recommended for adoption to the Board of Directors. The Board of Directors of the Bank have considered and approved the same at its meeting held on 12 August 2022.  
The Joint Statutory Auditors have reviewed the interim financial results as required under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and have issued an unmodified opinion thereon.  
The comparative financial information of the Bank for the previous reporting periods included in the Statement have been reviewed/ audited by the predecessor auditor. The reports of the predecessor auditor on these comparative financial information expressed an un-modified conclusion/opinion.
2. These interim financial results of the Bank have been prepared in accordance with the Banking Regulation Act, 1949, generally accepted accounting principles in India, including Accounting Standards as prescribed under Section 133 of the Companies Act, 2013, Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the guidelines issued by the Reserve Bank of India (RBI). The Bank has followed its significant accounting policies in the preparation of financial results consistent with those followed in the year ended 31 March 2022.
3. The Capital adequacy ratio ("CRAR") has been computed as per the Operating guidelines vide RBI notification RBI/2016-17/81 DBR NBD.NO.2.6/16.13.218/2016-17 dated 6 October 2016 ("the Operating guidelines") prescribed for Small Finance Bank. The Bank has followed Basel II standardised approach for credit risk in accordance with the operating guidelines issued by the RBI for Small Finance Banks. Further no separate capital charge for market risk and operational risk has been computed in view of the exception contained in RBI Notification DBR NBD NO. 4502/16.13.218/2017-18 dated 8 November 2017.  
The Capital Adequacy Ratio is computed on the basis of RBI guidelines applicable on the relevant reporting dates and the ratio for the corresponding previous periods is not adjusted to consider the impact of subsequent changes if any, in the guidelines.
4. During the year ended March 31, 2022, with effect from January 2022, the Bank revised its Non-Performing Asset (NPA) provisioning policy in relation to secured portfolio which is in line with RBI guidelines. The impact of such change resulted in higher provisioning of ₹496.51 Lakhs for the quarter ended June 30, 2022 (Rs 311.94 Lakhs for the quarter ended March 31, 2022).
5. In the quarter ended June 30 2022, the impact of disruptions resulting from COVID-19 has eased substantially however the Bank continues to monitor the developments/ ongoing impact resulting from COVID-19 Pandemic and any action to contain its spread or mitigate its impact.  
During the quarter ended June 30 2022, Bank has made a floating provision of Rs 20.34.57 Lakhs (Rs 3012.98 Lakhs as at June 30 2022) and additional contingency provision of Rs NIL Lakhs (Rs 6500 Lakhs as at June 30 2022).
6. During the quarter 30 June 2022, the Bank has not transferred / acquired any loans under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021.
7. RBI circular DBR No BP/BC U21.0.6.20.1/20.15-16 dated 1 July, 2015 on 'Basel III Capital Regulations' read together with the RBI circular DBR No BP/BC 80121.06.20.112014-15 dated 31 March, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards- Amendments' requires banks to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III Framework. These disclosures are available on the Bank's website at the following link - <https://www.utkarsh.bank/basel-disclosures>. The disclosures have not been subjected to audit or review by the joint statutory auditors.
8. The figures of the quarters ended 31 March 2022 are the balancing figures between the audited figures in respect of the full financial year and the figures of nine months ended 31 December 2021, which were subjected to limited review by the erstwhile statutory auditors.
9. Other income includes processing fee, profit/ loss on sale of investments (including provision for depreciation), recovery from loans written off, income from dealing in PSLC, etc.
10. The Bank has filed the Draft Red Herring Prospectus (DRHP) for Initial Public offer with Securities and Exchange Board of India on July 29 2022. The Bank has incurred certain expenses towards proposed Initial public offering (IPO) of its equity shares which would be charged-off to securities premium account in accordance with Section 52 of the Companies Act, 2013 upon completion of the process of IPO.
11. Figures of the previous periods / year have been regrouped / reclassified, wherever necessary to conform current period classification.



Place: Mumbai  
Date: 12 August 2022

for and on behalf of the Board of Directors of  
**Utkarsh Small Finance Bank Limited**  
CIN: U65992UP2016PLC082804

  
**Govind Singh**  
Managing Director & CFO  
DIN: 02470880

